



From: Joachim Kempin
Sent: Wednesday, February 12, 1997 10:17 AM
To: Karl Empey
Subject: FW: DAD Competitive Strategy Session Summary/Next Steps

this is unproductive.

-----Original Message-----
From: George Downing
Sent: Wednesday, February 12, 1997 9:18 AM
To: Joachim Kempin; Karl Empey
Subject: RE: DAD Competitive Strategy Session Summary/Next Steps

I'll be there, Craigspi will be there.

-----Original Message-----
From: Joachim Kempin
Sent: Tuesday, February 11, 1997 1:14 PM
To: Karl Empey; George Downing
Subject: RE: DAD Competitive Strategy Session Summary/Next Steps

Carl- won't be there. Pick two plus me.

-----Original Message-----
From: Karl Empey
Sent: Tuesday, February 11, 1997 10:05 AM
To: Joachim Kempin; George Downing
Subject: RE: DAD Competitive Strategy Session Summary/Next Steps

George , Craigspi , Kurtk and Carl- have been invited along with Donhar from Sales. I'm not expecting BOTH Carl- and George but that's their call.

Regards
Karl

-----Original Message-----
From: Joachim Kempin
Sent: Tuesday, February 11, 1997 9:54 AM
To: Richard Fade; Karl Empey; Bill Demas; Vince Mendillo
Cc: Dawn Trudeau; Robert (Robbie) Bach; Steve Schiro; Bengt Akerlind; Steve Ballmer; George Downing
Subject: RE: DAD Competitive Strategy Session Summary/Next Steps

I would like to have an OEM mktg person attached. George?

-----Original Message-----
From: Richard Fade
Sent: Tuesday, February 11, 1997 8:47 AM
To: Karl Empey; Bill Demas; Vince Mendillo
Cc: Dawn Trudeau; Robert (Robbie) Bach; Steve Schiro; Joachim Kempin; Bengt Akerlind; Steve Ballmer
Subject: FW: DAD Competitive Strategy Session Summary/Next Steps

I would like you to meet and discuss ideas of how to configure, name, and market this concept for both the holiday 97 timeframe and then Home Suite (Q1 98) product generations. If we can do this well, and build some brand value around it, it would be a real win. If not at minimum we need to confirm our strategy for holiday 97 and clear that with Steveb.

Keys are OEM has to feel he has provided something useful and attractive to his end user (function and brand required), the reseller needs to see it as an opportunity to attach an additional add on sale (function and brand as well I think).

Steve Schiro can you nominate someone from your team to be part of this brainstorming ?, preferably someone who is really close to the day to day purchase habits and issues of the retailers. Bengt can you participate of send a proxy ? We should use next week to brainstorm these ideas, then the week following , I would request Joachim, Steve and I meet with the group to discuss our alternatives. Karl / Vince can you take lead on getting this organized ?
thanks

-----Original Message-----
From: Bengt Akerlind
Sent: Tuesday, February 11, 1997 8:14 AM
To: Vince Mendillo; Richard Fade
Cc: Robert (Robbie) Bach; Karl Empey; Steve Schiro; Dennis Tevlin; Joachim Kempin; Jon DeVaen
Subject: RE: DAD Competitive Strategy Session Summary/Next Steps

It was a well spent afternoon. Thanks

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Clarification. In the summary you refer to an OEM "teaser/trial" with a retail "snap-in" at around \$100. The OEM component needs to be a bit more than a teaser/trial. It has to have some value on a standalone basis, but not enough value to discourage customers from buying the "snap-in" (good description !) product at around \$100. It is a very fine balance, and we need to find the right mix. I would like to license the base product on a very broad scale at low royalties for consumer PCs, almost making it synonymous with "consumer PC". We are fighting Smartsuite and Corel on a daily basis, both of them selling at virtually zero royalties, and it will only get worse. When the leading OEMs are going for magic price points like \$999, \$899, \$799, etc, they are chasing every penny in component costs.

-----Original Message-----

From: Vince Mendillo
Sent: Sunday, February 09, 1997 9:29 PM
To: Steve Schiro; Bengt Akerlind; Dennis Tevlin; Dianne Gregg; Mike Kosek; Joachim Kempin; Sam Jadallah; Miriam Zacharias; Linda Glenicki; Amar Nehru; Paul Bazley; Richard Fade; Mike Brown; Miriam Zacharias; Greg Maffei; Jon DeVaan; Jeff Dossett; Gail Thomas-Flynn; Ned Menninger; Rosa Garcia; Dianne Gregg; Deborah Willingham; Bob Vellone
Cc: Jon Anderson; Robert (Robbie) Bach; Frank Clegg; John O'Rourke; Karl Empey; Joe Vetter
Subject: DAD Competitive Strategy Session Summary/Next Steps

I wanted to thank everyone for all their time and input last Thursday in discussing the current competitive climate with Corel. The discussion was extremely valuable in furthering our collective learning on competing more effectively.

Below is a summary of the discussion and next steps. The final presentation slides for reference can be found on [\juncoldadpublic\dadcs\final](#).

<< File: Shortcut to DAD Competitive Strategy Session.ink >>

I've received positive feedback from several of you on continuing with another such meeting in about three months. I will arrange to have that scheduled. Also, please email me suggestions and comments on how to improve our next session. Should we perhaps next time have 3-4 focus topics on the competition or continue with a similar format as last time? Your suggestions would be appreciated.

Thanks, Vince

DAD Competitive Strategy Session (2/6/97) Ideas and Next Steps

Retail

- Modify terms/consignment model
- Resolve merchandising issues/"buy shelf space"
- Anticipate Corel's next move & "beat them to the punch" (Steve Schiro)

OEM

- Create "teaser/trial" product that motivates OEMs to install
 - "Snap-in" piece that completes the product (\$100 range)
 - Richard to discuss with Joachim & Steve
- Christmas Home Essentials bundle (Bengt/ Karl Empey/Steve Schiro)
 - Link to soft bundle at Retail

VAR

- Monitor response to 3-Pack and "Roll-your-own"
- Understand impact and fine-tune
- Incorporate MS Office in channel/VAR press activities (Sam Jadallah)
- Promote MS Office as add-on to Windows NT Server in OCU accounts
 - Understand attach rate of MS Office to Windows NT Server
 - Initiate direct mail/other marketing activities targeting VARs that sold Windows NT Server (Paul Bazley/Dennis Tevlin)

MS Office Marketing

- Counter Corel's contention that products are equal except for price
- Promote MS superior support (unlimited, high quality/rich Web content, less wait time, online diagnostic troubleshooters, primary Web response)
- Java response is needed
 - Risk: Corel uses Java as a wedge into MS accounts
 - Counter with MS TCO features

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- Customers want smaller footprint, lower cost of hardware on the desktop
- Highlight quality of MS localization in international markets
- Determine right level of advertising spending
- Determine where to place advertising dollars
 - Are we doing enough for our products at Retail?
 - Corel is focused on impressions at retail; MS more diffuse
- Exploit Corel's lack of understanding of enterprise accounts (ex. Corel NT)

Sales

- Reintroduce WordPerfect switching campaign including on-site technical days, education by ATEC, and macro conversion by MSPs
- "Adopt a legal assistant" days
- Tie Corel up in Canada; Cowpland especially hates to lose at home
- Get Office 97 deployed as quickly as possible in LOGs to stay off competitive threat. File compatibility an issue to migration. Need to get additional time to brainstorm possible solutions.

Small Business Edition

- Price still an issue for SBE in DSP channel
- Leverage MS Office brand
- Possible message: "Inc. 500 uses MS Office..."

Home Essentials Marketing Messages

- Go direct to consumer with hard-hitting, retail-flavor ads
- Make dollar commitment to establish brand
- Communicate high value for the price
- Develop Retail POS check list (Possibly compare to Corel WordPerfect Suite)

Small Business Server

- Bundle SBE with Small Business Server. Develop Office attach plan to NTS.
- Build in additional value when using SBE on Small Business Server
 - Viewer for MS Office docs
 - Fax pooling templates for mailings
 - Incorporate better free add-ons on the Web
- Need development strategy/program management support (Jon DeVaan)

Product

- Introduce MS graphics product to respond to Corel's core, high margin business.

Licensing

- Get larger number of resellers working MOLP
- Identify options to increase Upgrade Advantage appeal (Bob Vellone/Sam Jadallah)
- Can adjust FPP to manage price waterfall without affecting corporate licenses

Vertical Marketing

- DAD resource should be assigned to work with OCU (Dennis Tevlin)
- Feature key MS wins in vertical industries
- Move Corel line-of-business applications over to MS platforms

Education

- Extend Select to students (Sam Jadallah/LizWelch/Bob Vellone)
- Work with universities to include as part of registration fee

Finance

- Need to figure out net cash drain (Amar Nehru)

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Marketing Intelligence

- Conduct Corel Buyer Study from exit interviews at Retail (Vince Mendillo)
- Understand advertising spend rate of retail ISVs, e.g. Broderbund, Intuit (Vince Mendillo)

- **Understand decision to purchase Home Essentials**
 - Is it just a price issue?
 - Are customers directly comparing HE to WordPerfect?

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